

Message Text

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ACTION TRSE-00

INFO OCT-01 EA-10 ISO-00 IO-13 PA-01 NEA-10 L-03 H-01
SP-02 USIA-06 AID-05 EB-08 NSC-05 SS-15 STR-07
OMB-01 CEA-01 CIAE-00 COME-00 FRB-03 INR-10
NSAE-00 XMB-02 OPIC-03 LAB-04 SIL-01 EUR-12 /124 W
-----009730 280603Z /16

P R 280512Z MAR 78
FM AMEMBASSY MANILA
TO SECSTATE WASHDC PRIORITY 3506
INFO AMEMBASSY BONN

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USADB

FOR NAC AGENCIES

E.O. 11652: NA
TAGS: EAID, EFIN
SUBJECT: PROPOSED DEUTSCHE MARK BORROWING

1. IN ACCORDANCE WITH BORROWING PROGRAM FOR 1978, ADB
MANAGEMENT PROPOSES THAT BANK BORROW UP TO 100 MILLION
DEUTSCHE MARK (APPROXIMATELY US\$47 MILLION) IN THE CAPITAL
MARKET OF FEDERAL REPUBLIC OF GERMANY (FRG). TENTATIVE
TERMS INCLUDE FOLLOWING:

A. TYPE OF BORROWING: PUBLIC OFFERING, THROUGH AN
UNDERWRITING SYNDICATE MANAGED BY DEUTSCHE BANK A.G.

B. COUPON RATE: TO BE DETERMINED BY APRIL 13, 1978
(PAYABLE ANNUALLY).

C. MATURITY: FINAL MATURITY OF 12 YEARS WITH
AMORTIZATION COMMENCING IN NINTH YEAR. AVERAGE LIFE OF
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10.5 YEARS.

D. ISSUE PRICE: TO BE DETERMINED BY APRIL 13.

E. COMMISSIONS: 2 PERCENT UNDERWRITING COMMISSION;
9.25 PERCENT LISTING COMMISSION; PAYING AGENCY COM-
MISSION OF 0.25 PERCENT FOR COUPON PAYMENT AND 0.125

FOR REDEMPTION.

F. STOCK EXCHANGE LISTING: LISTING ON STOCK
EXCHANGES OF FRANKFURT AND DUESSELDORF.

G. COST TO ADB: TO BE FINALLY DETERMINED WHEN
COUPON RATE, ISSUE PRICE AND OTHER TERMS ARE FIXED BY
APRIL 13.

2. PURSUANT TO ARTICLE 21, PARAS .(I) AND (II) OF ADB
CHARTER, FRG HAS BEEN REQUESTED TO GRANT NECESSARY
APPROVALS, WHICH ARE EXPECTED TO BE GRANTED PRIOR TO
MEETING OF BOARD OF DIRECTORS AT WHICH DRAFT RESOLUTION
IS CONSIDERED.

3. ADB BORROWINGS IN 1978 TO DATE HAVE BEEN US\$39.8
MILLION EQUIVALENT IN SWISS FRANCS AND \$70.0 MILLION IN
TWO-YEAR DOLLAR BONDS FOR TOTAL OF \$109.8 MILLION. A
PROPOSED \$83.0 MILLION JAPANESE YEN BORROWING THAT WAS
ORIGINALLY SCHEDULED FOR BOARD CONSIDERATION MARCH 2 WAS
POSTPONED, SINCE BY SO DOING IT WAS LIKELY BANK WOULD
OBTAIN A MORE ATTRACTIVE RATE.

4. SUBJECT TO ACCEPTABLE TERMS BEING FINALIZED, ADB
PRESIDENT RECOMMENDS THAT BOARD AUTHORIZE PROPOSED DM
BORROWING. ADB DOC. R26-78 ON ABOVE SUBJECT POUCHED
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MARCH 27 AND WILL BE CONSIDERED BY BOARD APRIL 12.
NAC CONCURRENCE IN PROPOSED BORROWING IS REQUESTED.
EDMOND

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CREDIT, ECONOMIC PROGRAMS, LOANS, CURRENCY STABILITY
Control Number: n/a
Copy: SINGLE
Draft Date: 28 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978MANILA04849
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780133-1253
Format: TEL
From: MANILA USADB
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780319/aaaaaplu.tel
Line Count: 97
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: a94281bc-c288-dd11-92da-001cc4696bcc
Office: ACTION TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 03 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3183981
Secure: OPEN
Status: NATIVE
Subject: PROPOSED DEUTSCHE MARK BORROWING
TAGS: EAID, EFIN
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/a94281bc-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014